BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Apple Valley Ranchos Water Company (U 346 W) for Authority to Increase Rates (as authorized by NOI 02-03-017): In 2003 of \$2,775,000 or 27.1% above revenues generated by present rates, in 2004 of \$497,839 or 3.8% above the revenues generated by the rates proposed for 2003, in 2005 of \$507,422 or 3.7% above the 2004 revenue requirements.

Application 02-03-046

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

Summary

This ruling sets forth the scope, service list, schedule, category, assignment of the principal hearing officer, and ex parte communications rules for this proceeding following a May 3, 2002 Prehearing Conference (PHC), pursuant to Rule 6.3 of the Commission's Rules of Practice and Procedure.

Scope of Proceeding

Any and all of the estimates upon which proposed revenue requirements and rates for the test year are based may be issues if disputed in hearing.

Service List

With the taking of appearances at the PHC, a service list has been established for this proceeding, as set forth in Appendix A to this ruling. Parties shall serve filings on all appearances listed on the service list, including those

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identified as "State Service" and to the assigned Commissioner and assigned Administrative Law Judge (ALJ).

Schedule

The schedule for this proceeding is as follows:

DATE	ACTIVITY
July 8, 2002	ORA Testimony
July 16, 2002	Public Participation Hearing
August 9, 2002	Rebuttal Testimony
August 14, 2002	Witness List - Order of Testifying
August 19, 2002	Evidentiary Hearing Starts
August 20 to 23, 2002	Evidentiary Hearings Continues, as needed
September 13, 2002	Opening Briefs
September 20, 2002	Reply Briefs, Proposed Submittal Date, and deadline to file requests for Final Oral Argument before Quorum of the Commission
November 5, 2002	Proposed Decision Filed
November 25, 2002	Comments Due on Proposed Decision
December 2, 2002	Reply Comments Due on Proposed Decision
December 5, 2002	Final Decision

The parties should limit their testimony to matters involving the identified issues. Any request for final oral argument before the Commission should be made as part of comments on the proposed decision.

My goal is to resolve this matter no later than December 5, 2002. However, in no event will resolution exceed 18 months from the date of filing this application, pursuant to SB 960, Section 12 and Rule 6(e).

Category of Proceeding

This ruling confirms the Commission's preliminary finding in Resolution ALJ 176-3085, dated April 4, 2002, that this proceeding is a ratesetting proceeding as described in Rule 5 (c).

Assignment of Principal Hearing Officer

ALJ Galvin will act as principal hearing officer in this proceeding pursuant to Rule 5(l).

Ex Parte Communications

Parties shall observe and comply with the Commission's ex parte communications rules as identified in the April 15, 2002 Assigned Commissioner's Ruling Setting a PHC.

IT IS RULED that:

- 1. The scope and schedule for this proceeding is set forth herein.
- 2. Apple Valley Ranchos Water Company (AVR) shall coordinate the order that witnesses shall testify with all interested parties and shall provide a copy of an agreed upon witness order list by letter to all parties and to the assigned Administrative Law Judge (ALJ) by August 14, 2002.
- 3. A Public Participation Hearing (PPH) shall be held on July 16, 2002 beginning at 1:00 p.m. and again at 7:00 p.m. at the Town of Apple Valley, Town Council Chambers, 14955 Dale Evans Parkway, Apple Valley, 92307.
- 4. AVR shall post in public places and by publishing notice in a newspaper or newspapers of general circulation within its service territory notice of the time, date, and place of the PPH, pursuant to Rule 52 of the Commission's Rules of Practice and Procedure (Rules). The PPH notices shall be reviewed and approved by the Commission's Public Advisor's Office prior to posting and

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publishing. Newspaper publication of the PPH shall occur on at least three

separate days.

5. An evidentiary hearing in the proceeding shall be held beginning at

10:00 a.m., August 19, 2002, and continue, as needed, through and including

August 23, 2002, in the Commission Courtroom, State Office Building, 505 Van

Ness Avenue, San Francisco, California.

6. Any request for final oral argument before the Commission shall be made

as part of comments on the proposed decision.

7. Any settlement conference that may occur in this proceeding shall comply

with the Commission's Rules on Settlement Conferences.

8. The service list for this proceeding is set forth in Appendix A to this ruling.

Parties shall serve filings on all appearances listed on the service list, including

those identified as "State Service" and to the assigned Commissioner and

assigned ALJ.

9. This ruling confirms that this application is a ratesetting proceeding for the

purpose of Article 2.5.

10. The principal hearing officer in this proceeding is ALJ Galvin.

11. Parties shall observe and comply with the ex parte communications rules

set forth in Rules 7 and 7.1 of the Commission's Rules of Practice and Procedure

and as discussed in the Assigned Commissioner's April 15, 2002 Ruling Setting a

Prehearing Conference.

Dated May 20, 2002, at San Francisco, California.

/s/ MICHAEL R. PEEVEY

Michael R. Peevey

Assigned Commissioner

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APPENDIX A SERVICE LIST

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INFORMATION ONLY:

END OF APPENDIX A

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Assigned Commissioner's Scoping Memo and Ruling on all parties of record in this proceeding or their attorneys of record.

Dated May 20, 2002, at San Francisco, California.

/s/ JACQUELINE GORZOCH

Jacqueline Gorzoch

NOTICE

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TDD# (415) 703-2032 five working days in advance of the event.